

IRRC information and contact

Pages 40-47 of the 1992 version of IRRC's *How Institutions Voted* report discuss attitudes toward the 1992 batch of tobacco resolutions. The 1993 Background Report on tobacco issues was letter E. A story on p. 11 of the June issue of *News for Investors* discusses Infact's new anti-tobacco campaign. The lead story in the September issue discussed educational institutions' attitudes toward social investing, including the holding of tobacco stocks. Trex Proffitt covers tobacco issues for IRRC.

SOUTH AFRICA

Overview

Even before Nelson Mandela made his Sept. 24 UN speech asking for an end of sanctions against South Africa, the New York State Common Retirement Fund had announced that it was terminating its seven-year shareholder proposal campaign for restrictions on business activity there. Once the Mandela call came, the New York city pension funds also decided to end their long-running shareholder effort to get companies to stop making sales to strategic entities in South Africa. But church shareholders decided that they would continue filing resolutions on South Africa issues--albeit from a very different perspective than they had in the past. One new church resolution, pending at 16 companies, asks them to endorse the South African Council of Churches' new code of conduct for business operations in South Africa. A second resolution, to six banks, asks them to develop a policy to promote "responsible" banking practices for the development of a democratic South Africa.

The resolutions

Code of conduct: Companies on the list to receive the resolution on a code of conduct are Baker Hughes, Borden, Bristol-Myers Squibb, Chevron, Colgate-Palmolive, Crown Cork & Seal, Ingersoll-Rand, International Paper, Kimberly-Clark, Minnesota Mining, PepsiCo, Pfizer, Phelps Dodge, Texaco, United Technologies and Warner-Lambert.

The resolution asks the companies to endorse the SACC code and report to shareholders on its implementation. It notes that the code, which the SACC adopted July 8, 1993, grew out of an earlier draft code worked out by the African National Congress and the Coalition of South African Trade Unions. It describes the code by saying that "Its planks call for equal opportunity, training and education to increase productive capacities, protection and workers' rights, a safe and healthy workplace, job creation, social responsibility programs developed in consultation with communities affected, disclosure of product hazards to consumers, environmentally sound products and practices, support for black-owned business, and disclosure of information needed to monitor code implementation." The proposal points out that while statutory apartheid has ended, its economic and social legacy continue, and it cites statistics such as a 50 percent illiteracy rate, a 50 percent black unemployment rate, black incomes one-tenth of white incomes, and a backlog of affordable housing of more than 1.2 million units. The proponents conclude

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that "the international business community should assist in rebuilding a viable economy within a just social structure.

Bank lending: Church shareholders are going to six banks that they had once asked not to roll over loans to the South African government with the opposite proposal--that they "roll over outstanding loans and credits on terms conducive to South Africa's long-term democratic development." The resolution also asks the banks to help increase "the capacity of South African institutions to provide financial resources to those groups previously denied equal access to credit."

The recipients of the bank proposal are Chase Manhattan, Chemical Banking, Citicorp, Firstar, J.P. Morgan and NationsBank.

IRRC information and contacts

An article that begins on p. 9 of the September issue of *News for Investors* describes the new church resolution on the code and includes the text of the SACC code of conduct. An article on p. 3 of the December issue discusses the plans for the end of the Statement of Principles reporting process and Rev. Leon Sullivan's current views on a code of conduct for South Africa. IRRC's South Africa Review Service newsletter, *The Reporter*, tracks developments in South Africa closely. IRRC's 1994 Background Report B, on corporate activity in South Africa and the code of conduct, will be in the mail right after Christmas. We will publish a background supplement on the banking resolutions in February or March. Meg Voorhes is writing the general sections of the Background Report, and Bill Moses is writing on the code of conduct.

TELEVISION VIOLENCE

Overview

John Surr, who has proposed resolutions to General Electric on military issues over the years, has proposed a new resolution for its NBC subsidiary on television violence.

The resolution

Surr is asking GE's board to "review and report back to shareholders about NBC's Program Standards and their implementation from the perspective of GE's social responsibility to the public, in the light of what is known from research about the effects of violence and other television programming features on its viewing audience, especially young children." Surr argues in the supporting statement that "Over 3,000 research studies, including two by U.S. Surgeons-General, show that current broadcast television programming is a hazard to our nation's health."

Last year Surr proposed a different resolution to GE, asking the company to review and report on the role models NBC programs create for their viewers, especially young children. GE successfully challenged that resolution on ordinary business grounds. In this year's cover letter to

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the company, Surr says. "As you know, Judge [Kimba] Wood's recent decision removes the basis for exclusion which you used last year for my similar resolution." Surr is probably wrong on that point: Judge Wood's decisions in the Wal-Mart and Cracker Barrel cases (discussed in the section of this report on equal opportunity) say only that companies can't exclude employment-related shareholder resolutions with social policy connotations on ordinary business grounds, so the decisions shouldn't affect the SEC's longstanding view that content is a matter for media companies to decide without shareholder input. Thus the resolution is probably excludable as ordinary business, but because the SEC isn't issuing "no-action" letters on ordinary business grounds while it appeals Judge Wood's Cracker Barrel decision, the proposal could slip in.

IRRC contact

Ian Wright is following this issue for IRRC.

WORLD DEBT CRISIS

Overview

As usual, church resolutions on the world debt crisis didn't fare particularly well in the voting in 1993, but church shareholders are continuing to propose two resolutions that they proposed to various banks in 1993.

The resolutions

A resubmission to Chemical Banking asks the bank to "develop criteria for evaluation, support and utilization of financial intermediaries capable of promoting appropriate development through reliable loans and present a progress report to the 1995 annual meeting." The resolution says the proponents believe that the institutional arrangements required to support development in debt-troubled Third World countries include "competent" and "responsible" intermediary financial institutions" that will "link local enterprises with international capital resources for appropriate development."

Church groups are asking Chase and Citicorp to protect themselves from "irresponsible" Third World loans by establishing and disclosing to shareholders human rights, social and political criteria for the following: "(1) Extending new loans to Third World governments. Criteria should include the loans' purpose, and the economic, social and political impact on the people; (2) Writing off existing loans that place an unneeded, unwanted and unsustainable burden on the people."

IRRC information and contact

Our 1990 Special Report, *Overexposed: U.S. Banks Confront the Third World Debt Crisis*, discusses the issues raised by the resolutions in depth. The 1993 Background Report on the issue was letter G. Ian Wright will be covering the proposals.

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Checklist of 1994 Shareholder Resolutions

Following is a checklist of all of the social policy shareholder proposals that IRRC has been able to identify for the 1994 proxy season. The list was compiled after we had contacted all known shareholder proponents, so it should be fairly complete. However, we do not yet have a copy of the Interfaith Center's compilation of resolutions, so a few changes are still likely. The checklist in the January issue of News for Investors will have deletions and additions. Tentative annual meeting dates are marked with asterisks.

Company	Resolution	Sponsor or Coordinator	Date
AMP	EEO report report on Nafta	ICCR	April 28
Abbott	drug pricing restraint infant formula marketing	ICCR ICCR	April *
Alcoa	endorse Ceres principles	NYC	May 6
Allegheny Power	conservation & CO2 emissions	ICCR	November*
AlliedSignal	endorse Ceres principles maquiladora operations	ICCR, ELCA ICCR	April 25
American Brands	implement MacBride principles insurance division of tobacco co. marketing to poor and minorities	NYC, ICCR, NYSCRF ICCR ICCR	May 4
American Express	endorse Ceres principles Hydro-Quebec financing	ABC, ICCR ICCR, ELCA	April 25
American General	disclose ties to tobacco cos.	ICCR	April*
American Home Products	drug pricing restraint	ICCR	April*
American International Group	disclose ties to tobacco cos. EEO report	ICCR ICCR, ELCA	May 16
American Telephone & Telegraph	endorse Ceres principles maquiladora operations evaluate health proposals no Russia, China slave labor	ABC, ICCR, ELCA ICCR CWA Mark Seidenberg	April 20
Amoco	EEO report endorse Ceres principles withdraw from Burma	ICCR ICCR FRDC, ICCR	April*
Ameritech	evaluate health proposals	CWA	April 20
Anheuser-Busch	beer marketing report	St. Rose Convent	April 27
Atlantic Richfield	Ceres principles report EEO report environmental liability policy health and safety policy	ICCR, U.S. Trust, ABC FRDC FoE UBCJA	May*

2048300468

Company	Resolution	Sponsor or Coordinator	Date
Baker Hughes	South Africa business code implement MacBride principles	GBPUMC, ICCR NYC, NYSCRF, Minn.	Jan. 26
BancOne	CRA report	ICCR, FRDC	April*
BankAmerica	report on Nafta	UBCJA	May 26
Baxter	drug pricing restraint	ICCR	April*
Bethlehem Steel	endorse Ceres principles	NYC	April 26
Black & Decker	report on N.I. operations	Minnesota	April 26
Boeing	endorse Ceres principles report on economic conversion	ICCR ICCR	April 25
Borden	South Africa business code	ICCR	April 22*
Boston Edison	close Pilgrim nuclear plant	Mary Ott	April 26
Bristol-Myers Squibb	drug pricing restraint endorse Ceres principles South Africa business code	ICCR ABC, ICCR, ELCA ICCR	May 3
Brown Group	evaluate health proposals	Actwu	May 26
Caterpillar	EEO report	ICCR	April*
Central & South West	endorse Ceres principles	ICCR	April 21
Chase Manhattan	foreign lending criteria South Africa banking	ICCR GBPUMC, ICCR, ELCA	April*
Chemical Banking	report on Nafta appropriate third world development South Africa banking	UBCJA ICCR ICCR	May*
Chevron	community environmental hazards South Africa business code	ICCR ICCR	May 3
Chrysler	maquiladora operations	ICCR	May*
Citicorp	foreign lending criteria South Africa banking	ICCR ELCA, ABC	April*
Coastal	Ceres principles report	ICCR	May*
Colgate-Palmolive	South Africa business code	ICCR	May 5
Con Edison	Hydro-Quebec energy purchases	ICCR	May 16
Cooper Industries	maquiladora operations endorse Ceres principles	ICCR ELCA, ICCR	April 26*
Corning	endorse Ceres principles	ICCR	April 28
Crown Cork & Seal	South Africa business code	ELCA, ICCR	April*
Dayton-Hudson	standards for suppliers EEO report	FRDC Actwu	May 25*
Dillard	EEO report	ICCR	May*
Donnelley (R.R.)	endorse Ceres principles maquiladora operations	ICCR ICCR	March 24

2048300469

Company	Resolution	Sponsor or Coordinator	Date
Dow Chemical	Chinese labor report	FRDC	May 12
Dun & Bradstreet	implement MacBride principles maquiladora operations	NYC, ICCR, NYSCRF ICCR	April*
DuPont	environmental policy committee list environmental liabilities	UBCJA FoE	April 27
EG&G	military contracts criteria	ICCR	April 26
Eastman Kodak	EEO report	ICCR	May 11
Eaton	report on economic conversion	ICCR	April*
Equitable Resources	Ceres principles report	ICCR	May*
Exxon	Mining on indigenous land Northern Ireland review health and safety policy	ICCR NYC, NYSCRF UBCJA	April 27
FPL Group	endorse Ceres principles	ICCR	May 9
Firststar	South Africa banking	ICCR	April*
Florida Progress	close Crystal nuclear plant	Louis Putney	April*
Ford Motor	maquiladora operations	ICCR	May*
GTE	EEO report endorse Ceres principles military contracts criteria report on Nafta	ICCR, ELCA ICCR ICCR UBCJA	April*
Gap	report on N.I. operations	Minnesota	May 24
General Dynamics	economic conversion report	ICCR	May*
General Electric	economic conversion report endorse Ceres principles TV violence standards report on N.I. operations	GESA, ICCR ICCR John Surr Minnesota	April 27
General Motors	foreign military sales report no Russia, China slave labor maquiladora operations	ICCR Mark Seidenberg ICCR	May*
General Public Utilities	conservation and CO2 emissions	ICCR	May 5
Georgia-Pacific	endorse Ceres principles	ICCR	May 3
Grace (W.R.)	report on maquiladoras endorse Ceres principles	ICCR ICCR	May 10
Grainger (W.W.)	EEO report	U.S. Trust	April*
Great Lakes Chemical	phase out methyl bromide endorse Ceres principles report on Nafta	ICCR ICCR UBCJA	May*
Great Western Financial	disclose ties to tobacco cos.	ICCR	April*
Grumman	foreign military sales report	ICCR	April*
Homestake Mining	Ceres principles report	GBPUMC, ICCR	May*

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Company	Resolution	Sponsor or Coordinator	Date
ITT	endorse Ceres principles	ICCR, ELCA	May*
Illinois Tool	report on N.I. operations maquiladora operations	Minnesota ICCR	May 6
Ingersoll-Rand	South Africa business code	ABC, ICCR	April*
Interface	implement MacBride principles	NYC	May*
International Business Machines	endorse Ceres principles	ICCR	April*
International Paper	community environmental hazards South Africa business code	ICCR ICCR	May*
Interpublic Group	implement MacBride principles	NYC, Minn.	May 17
James River	implement MacBride principles	NYC, ICCR, NYSCRF	April*
Johnson & Johnson	drug pricing restraint maquiladora operations	ICCR ICCR	April*
KMart	gun sales	ICCR	May 24
Kimberly-Clark	South Africa business code	ICCR	April*
Knight-Ridder	tobacco advertising contracts	ICCR	May*
Leggett & Platt	EEO report	U.S. Trust	May*
Lilly (Eli)	drug pricing restraint	ICCR	April 18
Lincoln National	disclose ties to tobacco cos.	ICCR	May*
Lockheed	star wars endorse Ceres principles	ICCR NYC	May*
Loews	insurance division of tobacco co. warning labels on tobacco logos	ICCR John Slade	May*
Marsh & McLennan	Northern Ireland review	NYC, ICCR, NYSCRF	May 17
Martin Marietta	economic conversion report endorse Ceres principles	ICCR OCAW	April*
Maxus Energy	Ceres principles report	ICCR	April*
McDonald's	endorse Ceres principles implement MacBride principles smoke free facilities and franchises factory farming standards	ICCR ICCR, NYSCRF ICCR FRDC, ARI	May 27
McDonnell Douglas	economic conversion report charitable contributions	ICCR Patrick Inniss	April*
Mead	report on Nafta	UBCJA	April 28*
Merck	drug pricing restraint	ICCR	April*
Merrill Lynch	report on Nafta Hydro-Quebec financing	UBCJA ICCR	April*
3M	South Africa business code Northern Ireland review report on Nafta	ICCR NYC, Minn., NYSCRF UBCJA	May*
Mobil	EEO report	ICCR	May*

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Company	Resolution	Sponsor or Coordinator	Date
Monsanto	report on Nafta	UBCJA	April 22
Morgan (J.P.)	South Africa banking	ICCR	May 11
Motorola	report on Nafta	UBCJA	May 5*
Nationsbank	rural community reinvestment South Africa banking	ICCR ABC, ICCR	April 27
Newmont Mining	report on Ceres	GBPUMC, ICCR	May 5
Niagara Mohawk Power	conservation & CO2 emissions	ICCR	May 3
Pacific Telesis	support Planned Parenthood	Joseph Grant	April 29
PepsiCo	endorse Ceres principles implement MacBride principles recycling and bottle leg. smokefree facilities South Africa business code withdraw from Burma	ABC, ICCR ICCR, NYSCRF Green Funds, FRDC ICCR ICCR ICCR	May 4*
Pfizer	drug pricing restraint South Africa business code	ICCR GBPUMC, ICCR, ELCA	April 28
Phelps Dodge	South Africa business code	GBPUMC, ICCR	May 4
Philadelphia Electric	energy conservation	Robert Sutton	April 13
<u>Philip Morris</u>	economic conversion of tobacco farms environmental tobacco smoke warning labels on tobacco logos dairy pricing	ICCR ICCR ICCR ICCR	April 21
Phillips Petroleum	endorse Ceres petroleum	ICCR	May*
RJR Nabisco	economic conversion of tobacco farms endorse Ceres principles environmental tobacco smoke tobacco sales to minors warning labels on tobacco logos	Gregory Connolly ICCR ICCR ICCR ICCR	June*
Reynolds Metals	implement MacBride principles	NYC, NYSCRF	April 20
Schering-Plough	drug pricing restraint	ICCR	April 26
Shoney's	EEO report	GBPUMC, ICCR	June*
Smith (A.O.)	maquiladora operations	ICCR	April 13
Smith's Food and Drug	halt tobacco sales in pharmacies	ICCR	April*
Southwestern Bell	report on Nafta	UBCJA	April*
TRW	star wars contracts	ICCR	April*
Tecumseh Products	EEO report	U.S. Trust	April*
Temple-Inland	report on Nafta	UBCJA	May 6
Tenneco	endorse Ceres principles	ICCR	May*
Texaco	EEO report report on operations in Burma South Africa business code	ICCR ICCR ABC, ICCR	May 10

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Company	Resolution	Sponsor or Coordinator	Date
Thiokol	landmine production	ICCR	October*
Time Warner	tobacco advertising contracts	ICCR	May*
Tribune	tobacco advertising contracts	ICCR	April 19
USAir	EEO report	ICCR	May 25
UST	conversion of tobacco farms warning labels on tobacco logos	ICCR ICCR	May*
USX	endorse Ceres principles	NYC, ICCR, ABC	May 2
Union Carbide	community environmental hazards endorse Ceres principles	ICCR ABC, ICCR	April 27
Union Electric	radioactive waste report	ICCR	April 26
Unisys	economic conversion	ICCR	April*
United Technologies	foreign military sales report implement MacBride principles South Africa business code	ICCR NYC, Minn., NYSCRF ICCR	April*
Unocal	report on operations in Burma report on Ceres principles	ICCR GBPUMC	April 25
Upjohn	drug pricing restraint Depo-Provera reporting	ICCR ProVita Advisors	May 17
VF	EEO report	ICCR	April*
WMX Technologies	report on Nafta maquiladora operations	UBCJA ICCR	May* May*
Wal-Mart	EEO report gun sales	Actwu ICCR	May*
Warner-Lambert	drug pricing restraint South Africa business code	ICCR ICCR, ELCA, GBPUMC	April*
Wendy's	smokefree facilities	ICCR	May 2
Westinghouse Electric	endorse Ceres principles	ABC, ICCR, ELCA	April 27
Weyerhaeuser	endorse Ceres principles	ABC	April 21
Xerox	implement MacBride principles	NYC, Minn., FRDC	May 19

The abbreviations of coordinators stand for the following: ABC—American Baptist Churches; Actwu—Amalgamated Clothing & Textile Workers; ARI—Animal Rights International; CWA—Communications Workers of America; ELCA—Evangelical Lutheran Church in America; FoE—Friends of the Earth; FRDC—Franklin Research and Development Corp.; GBPUMC—General Board of Pensions of the United Methodist Church; GESA—General Electric Stockholders' Alliance; ICCR—Interfaith Center on Corporate Responsibility; NYC—New York City; NYSCRF—New York State Common Retirement Fund; Minn.—Minnesota Board of Investment; OCAW—Oil, Chemical and Atomic Workers; UBCJA—United Brotherhood of Carpenters and Joiners of America.

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